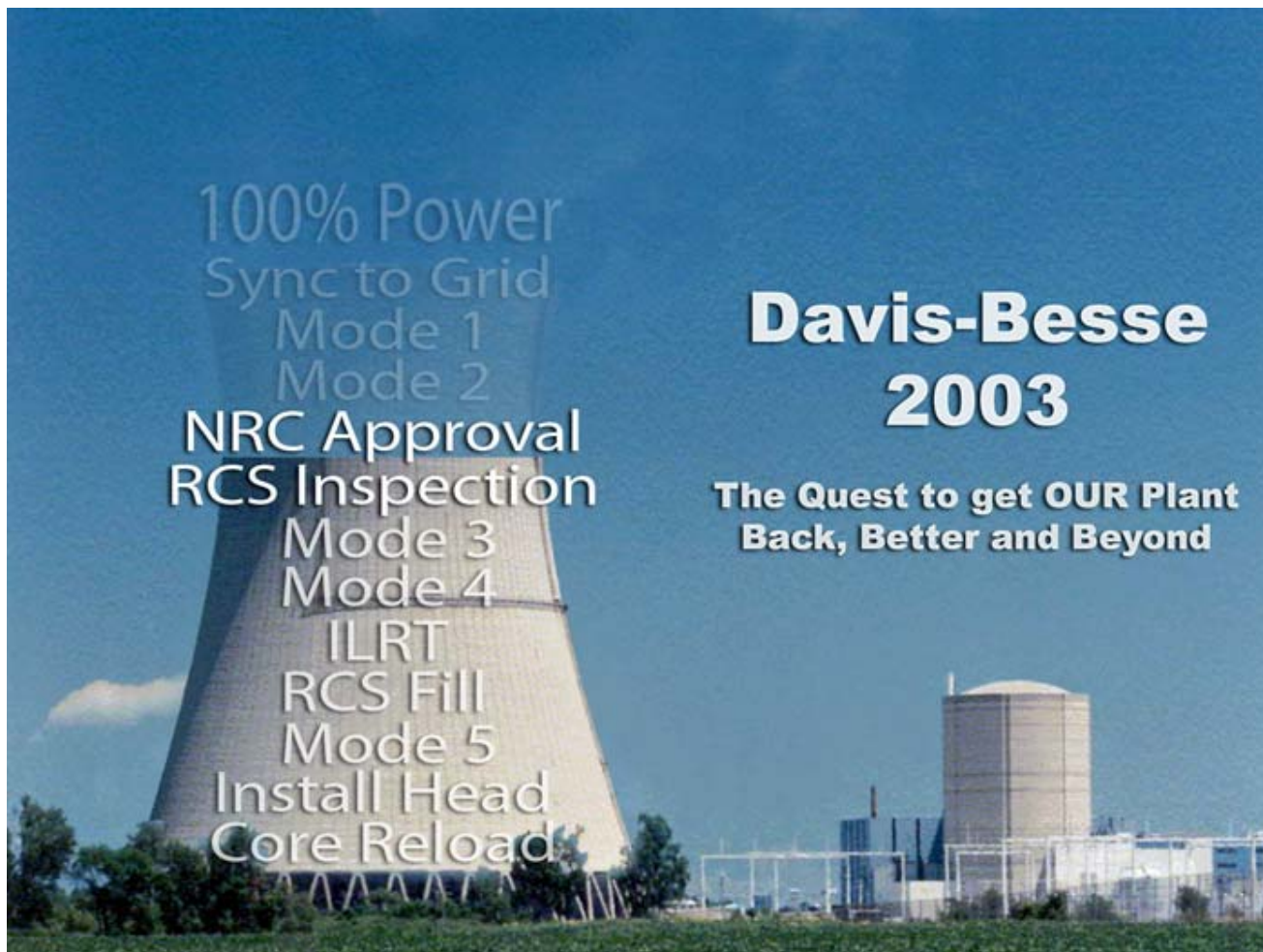


Davis-Besse Nuclear Power Station



IMC 0350 Meeting

Desired Outcomes

- Demonstrate our commitment to:
 - A robust Safety Culture and Safety Conscious Work Environment
- Provide you with information on our:
 - Cycle 14 - Operational Improvement Plan
 - Proposed work scope for the Mid-cycle (Cycle 14) Outage

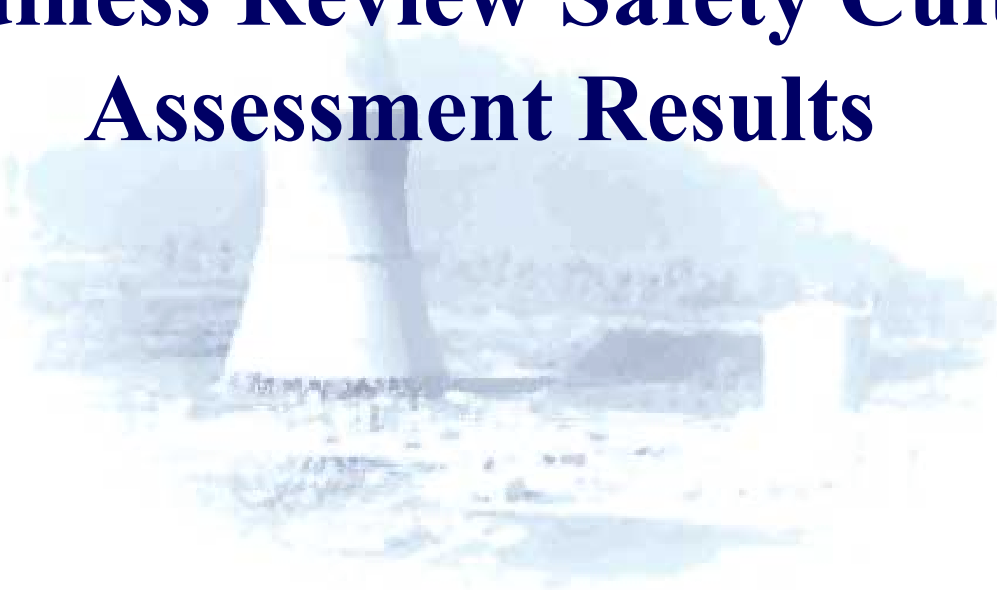
Lew Myers
Chief Operating Officer - FENOC

Meeting Agenda

- Employee Alignment Sessions Safety Culture Survey and the Restart Readiness Review Safety Culture Assessment Results.....Lew Myers
- SCWE Survey Outcomes.....Linda Griffith
- Nuclear Quality Assessment Safety Culture/SCWE Interviews November 2003 Results.....Steve Loehlein
- Cycle 14 - Operational Improvement Plan.....Mark Bezilla
- Work Scope Plans for the Mid-cycle (Cycle 14) Outage.....
.....Mark Bezilla
- Schedule for Remaining Activities for Restart.....Clark Price

Lew Myers
Chief Operating Officer - FENOC

Employee Alignment Sessions Safety Culture Surveys and the Restart Readiness Review Safety Culture Assessment Results



Lew Myers
Chief Operating Officer - FENOC

‘Built to Last’ Commitment

- FENOC has built an enduring organization rooted in and consistently aligned at all levels and with the vision of people with a strong safety focus
- Our core values are seated in recognition of each employee and guides our day to day business

‘Built to Last’ Commitment

- Our values begin with safety
 - Teamwork
 - Accountability and ownership
 - Accomplishment
 - Selecting and developing senior management based on a fit with these core values
 - Continuous indoctrination of employees in these core values
 - Consistent alignment with these core values in goal-setting, problem-solving, and decision-making
 - A strong safety focus resolve
 - A strong resolve to organizational and individual actions that focus on Safety Culture/SCWE

Definitions

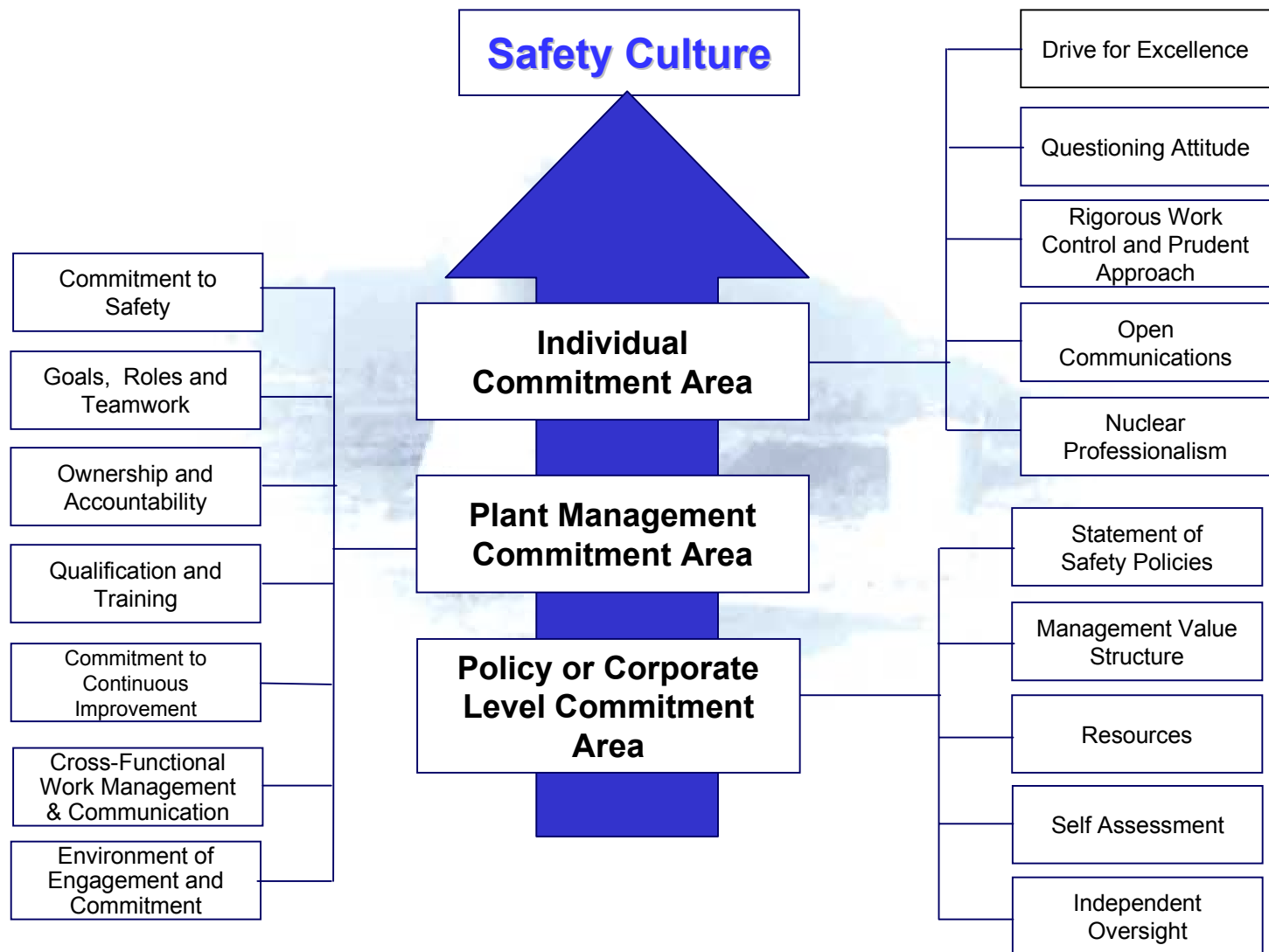
Safety Culture

That assembly of characteristics and attitudes in organizations and individuals which establishes an overriding priority towards nuclear safety activities and ensures that issues receive the attention warranted by their significance

Safety Conscious Work Environment

An environment in which personnel are encouraged to identify problems, are confident that problems will be effectively evaluated and corrected, and are protected from any form of retaliation

Safety Culture - FENOC Model



Improvements

- Improvement of Safety Culture

- Created Safety Culture and Safety Conscious Work Environment Models based on industry experience to date and information from the International Atomic Energy Agency
- Performance, Safety, and Health Associates, Inc. performed independent safety culture audit in February, 2003
- Conducted self-assessments and internal surveys
- Trained each employee on Nuclear Safety Culture Model
- Developed Business Practices on safety culture to assure sustained improvement

Recent Survey Results

- Employee Alignment Sessions Safety Culture Survey
 - Results were positive and encouraging
 - Highest score criterion
 - “I am aware that Davis-Besse policies on Safety Culture and Safety Conscious Work Environment state that safety is a core value and the normal way of doing business” (99% favorable ratings)
 - “I understand it is my responsibility to raise nuclear safety or quality concerns” (99% favorable ratings)
 - Lowest score criterion
 - “Management values the training and development of our employees” (66% favorable ratings)
 - “Cross-functional communication is evident throughout the plant (72% favorable ratings)

Recent Survey Results

ALL-SITE SAFETY CULTURE ASSESSMENT SURVEY -- SITE AND DEPARTMENT RESULTS BY MODEL LEVEL AND CRITERION																													
N=833 (98% site pop.)										Safety Culture Model Level and Criterion																			
#1 Policy or Corp. Level Commitment Area																													
1.a. Aware policies state safety is core value																													
1.b. Believe policies are understood by employees																													
1.c. Believe policies are continuously reinforced																													
1.d. Aware that Corp/Mgmt values are clearly reflected in DB gp																													
1.e. Believe Corp/Mgmt values are understood by the organization																													
1.f. Resources are avail. or can be obtained to ensure safe, reliable ops																													
1.g. DB utilizes Self-Assessment tools to monitor																													
1.h. DB utilizes Independent Oversight as a tool																													
Dept Weighted Avg. for Policy Level Commitment Area																													
#2 Plant Management Level Commitment Area																													
2.a. Visible Commitment to Safety																													
2.b. DB Goals are clear and understood																													
2.c. Roles of our employees are clear																													
2.d. Teamwork is reinforced																													
2.e. Employees take ownership in plant/work																													
2.f. Employees hold themselves accountable																													
2.g. Management holds employees accountable																													
2.h. Management values training development																													
2.i. Employees value training they receive																													
2.j. Management values qual employees hold																													
2.k. Employees value the qual they obtain																													
2.l. Commitment to continuous improvement is evident																													
2.m. Cross-functional work mgmt is evident																													
2.n. Cross-functional communications is evident																													
2.o. Environment of engagement and commitment is evident																													
Dept Weighted Avg. for Plant Mgt. Level Commitment Area																													
#3 Individual Level Commitment Area																													
3.a. Employees at DB exhibit a Drive for Excellence																													
3.b. People, plant, perf. are cont. improved to enhance margins of safety																													
3.c. Questioning Attitude -- Challenges are welcomed																													
3.d. Rigor/prudent approach - perf. activities in quality manner is std.																													
3.e. Open Comm-empls. comfortable in voicing opinions, issues, concerns																													

Recent Survey Results

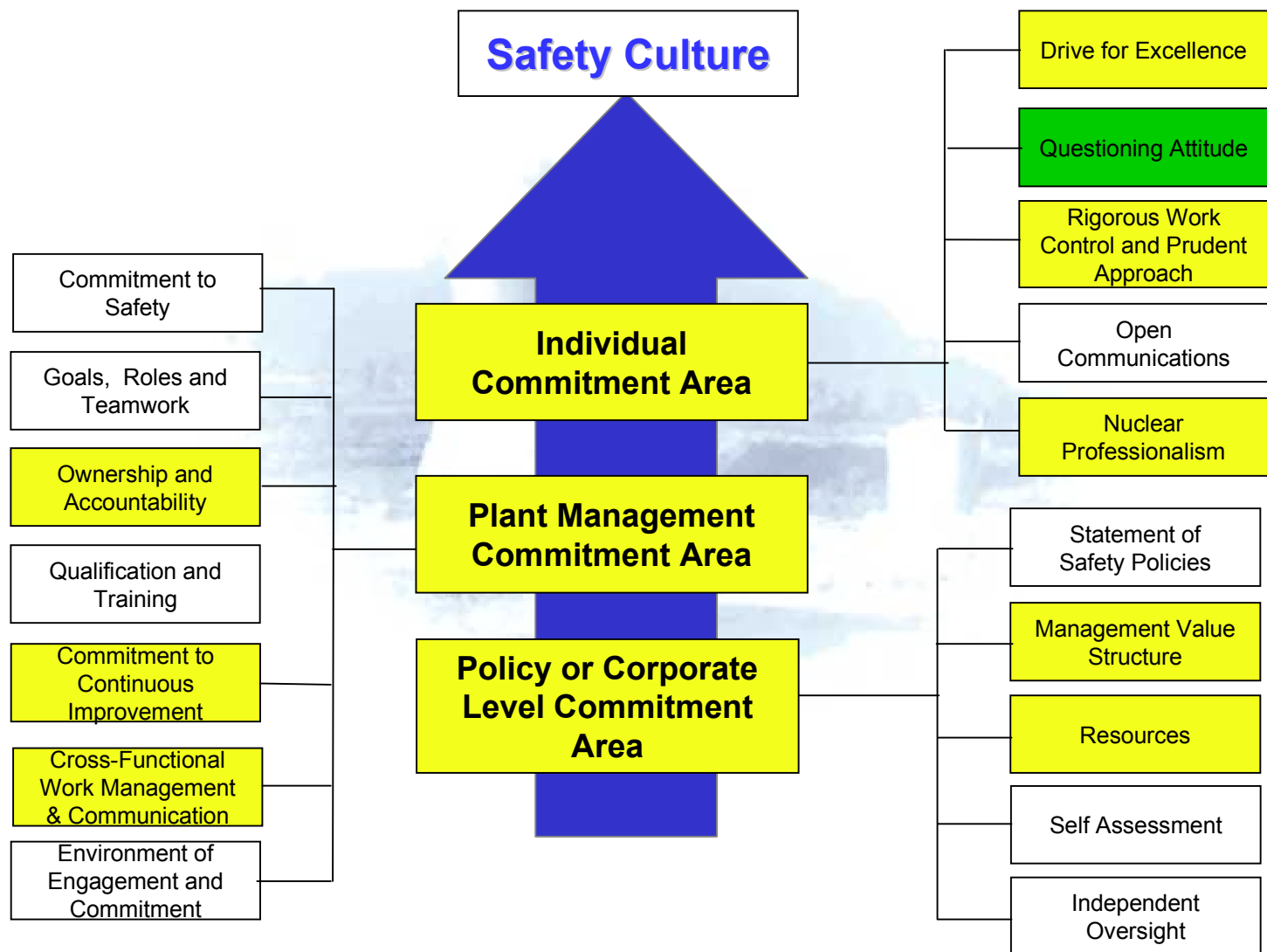
ALL-SITE SAFETY CULTURE ASSESSMENT -- POLICY OR CORPORATE LEVEL COMMITMENT AREA RESULTS																			
N=833 (98% site pop.)		Safety Culture Level and Criterion		#1 Policy or Corporate Level Commitment Area		1.a. Aware policies state that safety is a core value		1.b. Believe policies are understood by employees		1.c. Believe policies are continuously reinforced		1.d. Aware Corp/Mgmt values are clearly reflected in DB BP		1.e. Believe Corp/Mgmt values are understood by the org.		1.f. Resources avail.or can be obtained to ensure safe, reliable op		1.g. DB utilizes Self-Assessment tools to monitor	
				% of responses for individual ratings		% favorable ratings 4-6 / % unfavorable ratings 1-3		% of responses for individual ratings		% favorable ratings 4-6 / % unfavorable ratings 1-3		% of responses for individual ratings		% favorable ratings 4-6 / % unfavorable ratings 1-3		% of responses for individual ratings		% favorable ratings 4-6 / % unfavorable ratings 1-3	
RATINGS																			
Strongly Disagree (1)				0				1		2		7		6		10		8	
Disagree (2)				0	1%			4	3%	20	9%	22	12%	13	12%	24	12%	31	
Somewhat Disagree (3)				4				22		51		56		75		62		66	
Somewhat Agree (4)				44	5%			155	19%	236	28%	250	35%	335	42%	188	23%	270	33%
Agree (5)				270	32%	99%		439	53%	353	44%	295	41%	313	40%	386	47%	339	42%
Strongly Agree (6)				514	62%			211	25%	161	19%	93	13%	50	6%	147	18%	98	12%
					100%				100%		100%		100%		100%		100%		
N =				832				832		823		723		792		817		812	
Not able to respond				1				1		10		110		41		16		21	
Total N =				833				833		833		833		833		833		833	
Site Weighted Average				4.79															

Recent Survey Results

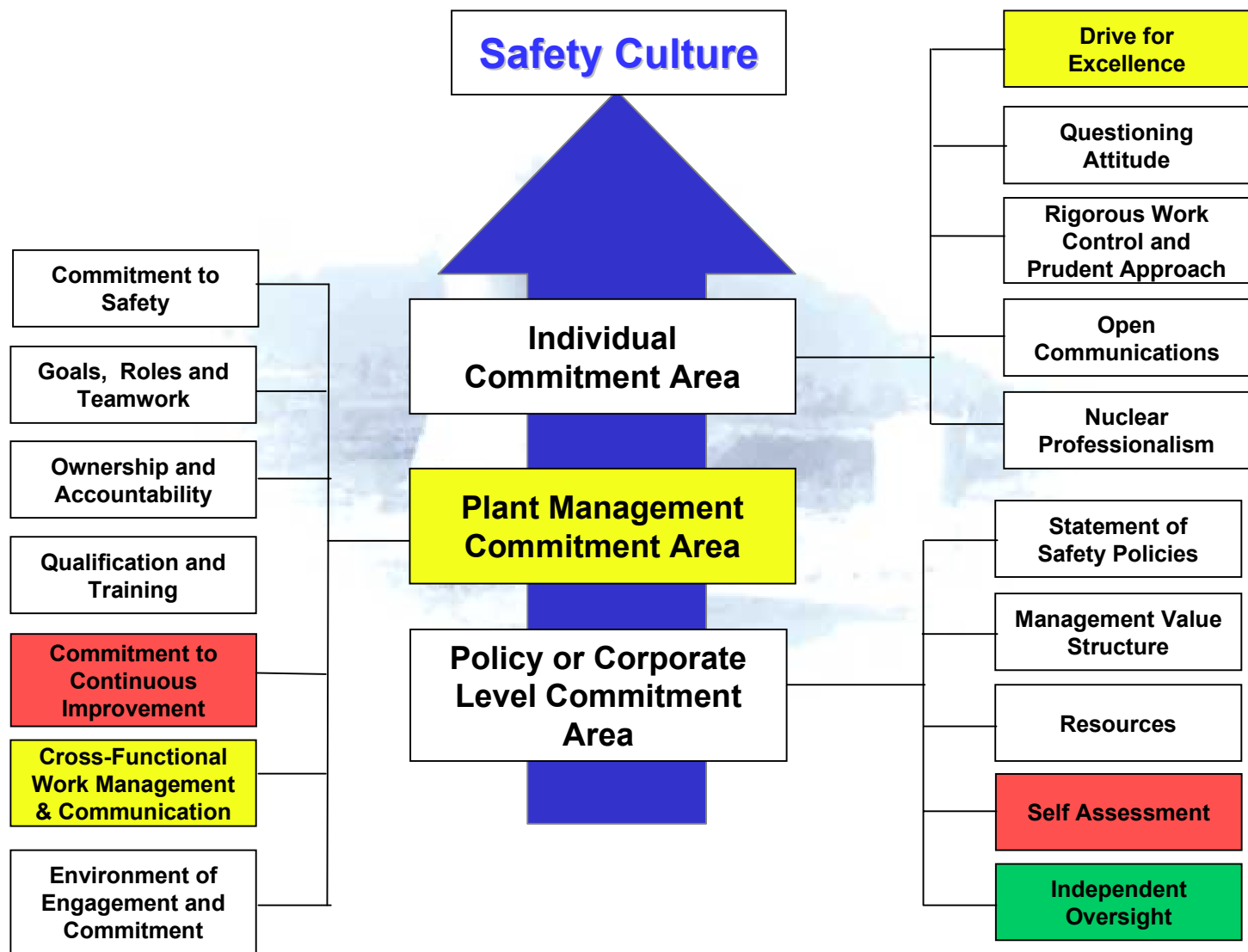
ALL-SITE SAFETY CULTURE ASSESSMENT -- PLANT MANAGEMENT LEVEL COMMITMENT AREA RESULTS																						
N=833 (98% site pop.) RATINGS		Safety Culture Level and Criterion		#2 Plant Management Level Commitment Area		2.a Visible Commitment to Safety		2.b. D-B Goals are clear and understood		2.c. Roles of our employees are clear		2.d. Teamwork is reinforced		2.e. Employees take ownership in plant / work		2.f. Employees hold themselves accountable		2.g. Management holds employees accountable		2.h. Management values training development		
		% of responses for individual ratings	% favorable ratings 4-6 / % unfavorable ratings 1-3	% of responses for individual ratings	% favorable ratings 4-6 / % unfavorable ratings 1-3	% of responses for individual ratings	% favorable ratings 4-6 / % unfavorable ratings 1-3	% of responses for individual ratings	% favorable ratings 4-6 / % unfavorable ratings 1-3	% of responses for individual ratings	% favorable ratings 4-6 / % unfavorable ratings 1-3	% of responses for individual ratings	% favorable ratings 4-6 / % unfavorable ratings 1-3	% of responses for individual ratings	% favorable ratings 4-6 / % unfavorable ratings 1-3	% of responses for individual ratings	% favorable ratings 4-6 / % unfavorable ratings 1-3	% of responses for individual ratings	% favorable ratings 4-6 / % unfavorable ratings 1-3			
Strongly Disagree (1)			1		4%		1		5%		2		9%		6		15%		11		9%	
Disagree (2)			4		4%		10		5%		17		9%		26		15%		11		9%	
Somewhat Disagree (3)			25				32				54				89				64			
Somewhat Agree (4)			95	11%			194	23%			279	34%			301	36%			280	34%		
Agree (5)			363	44%	96%		426	52%	95%		367	44%	91%		314	38%	85%		349	43%	91%	
Strongly Agree (6)			343	41%			166	20%			111	13%		100%	91	11%		100%	113	14%		100%
N =			831				829				830				827				821			
Not able to respond			2				4				3				6				12			
Total N =			833				833				833				833				833			
Site Weighted Average			4.4																			
Assessment conducted at All-Site Teamwork Sessions October 12 - November 2, 2003																						

14

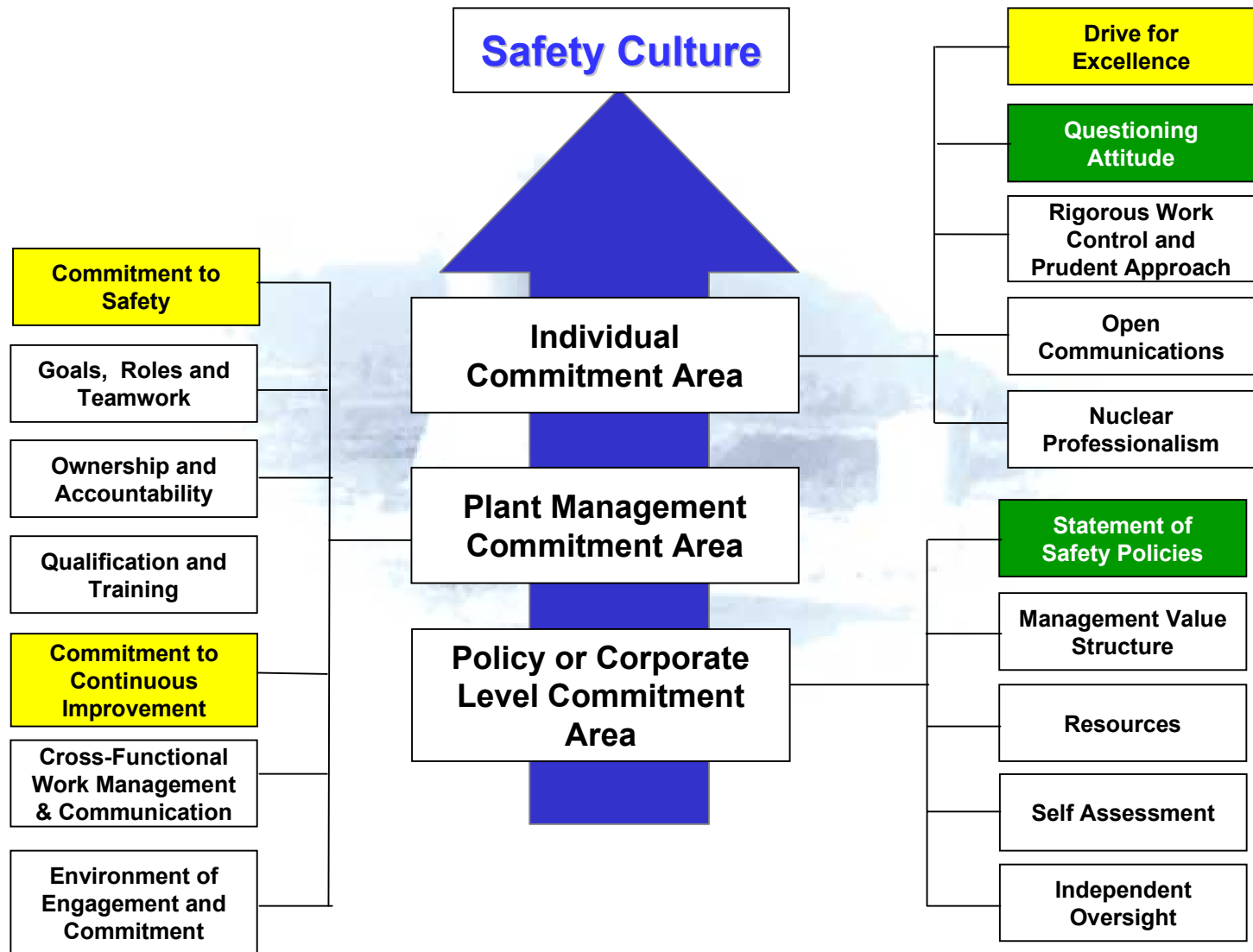
Mode 5 Safety Culture Assessment



Mode 4 Safety Culture Assessment



Restart Safety Culture Assessment



SCWE Survey Outcomes



Linda Griffith
Employee Concerns Program Manager

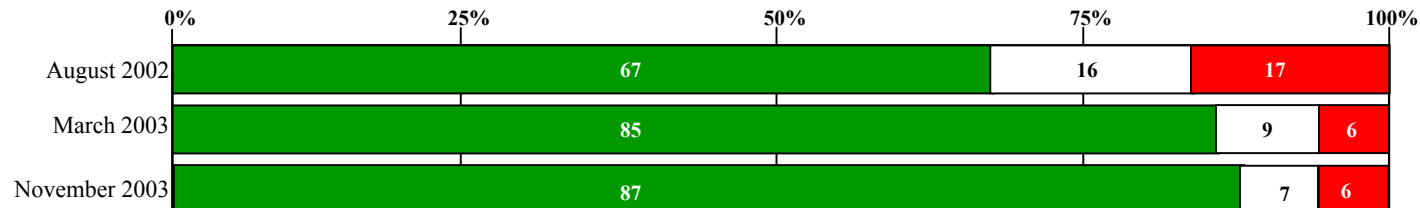
SCWE Survey

•Desired Outcomes

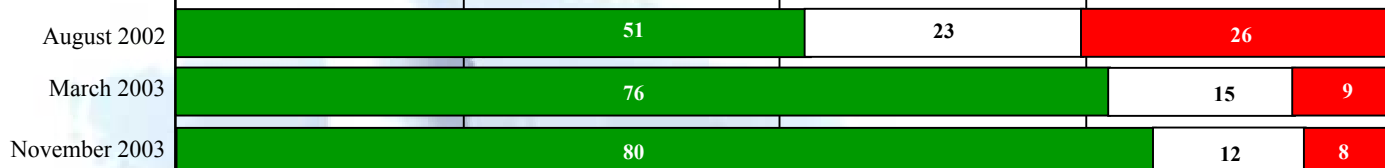
- Discuss the results of the most recent Safety Conscious Work Environment Survey
- Provide a comparison to the March 2003 and the August 2002 Surveys
- Discuss analysis of the results and the opportunities for improvement based on the analysis

OVERALL ANALYSIS

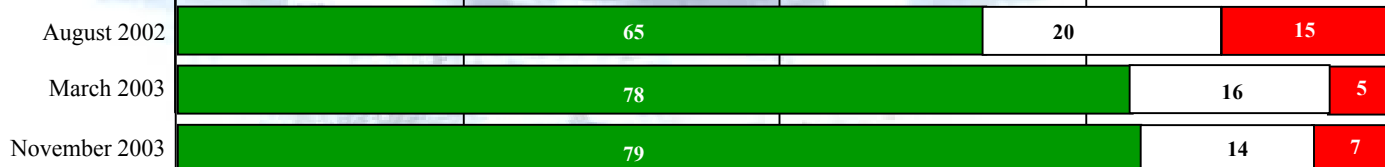
PILLAR 1 -- WILLINGNESS TO RAISE CONCERNS



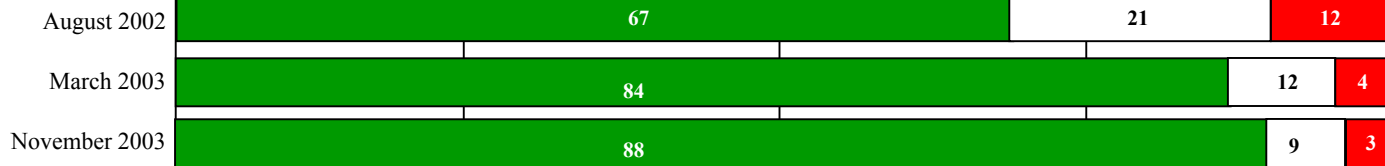
PILLAR 2 -- NORMAL PROBLEM RESOLUTION PROCESS



PILLAR 3 -- EMPLOYEE CONCERNS PROGRAM



PILLAR 4 -- PREVENTING AND DETECTING RETALIATION



Legend:
■ Agree
■ Don't Know
■ Disagree

November 2003 SCWE Survey Results

20

Pillar I -- Willingness to Raise Concerns

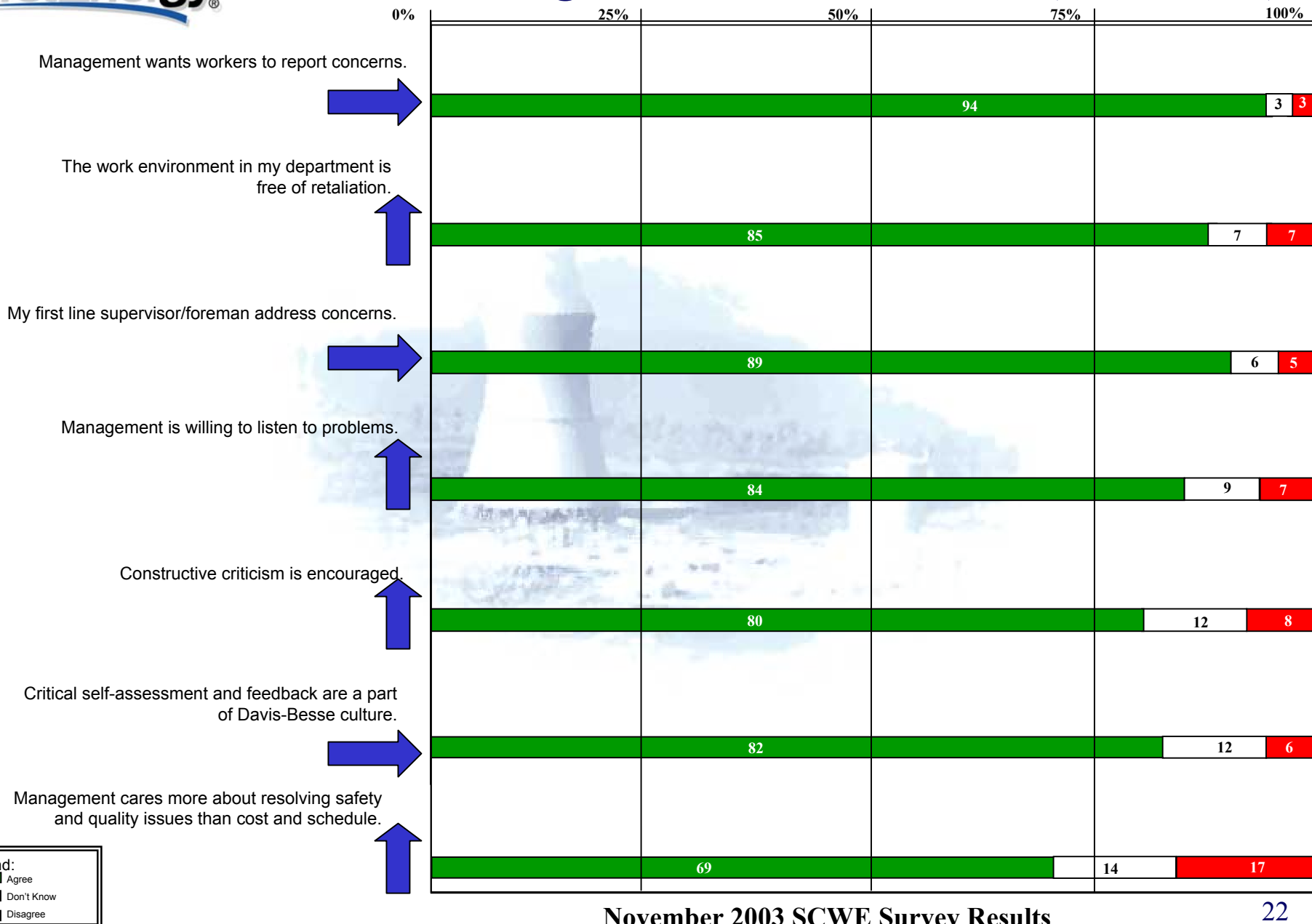


Legend:
■ Agree
■ Don't Know
■ Disagree

November 2003 SCWE Survey Results

21

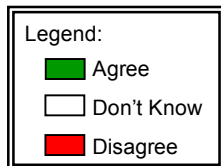
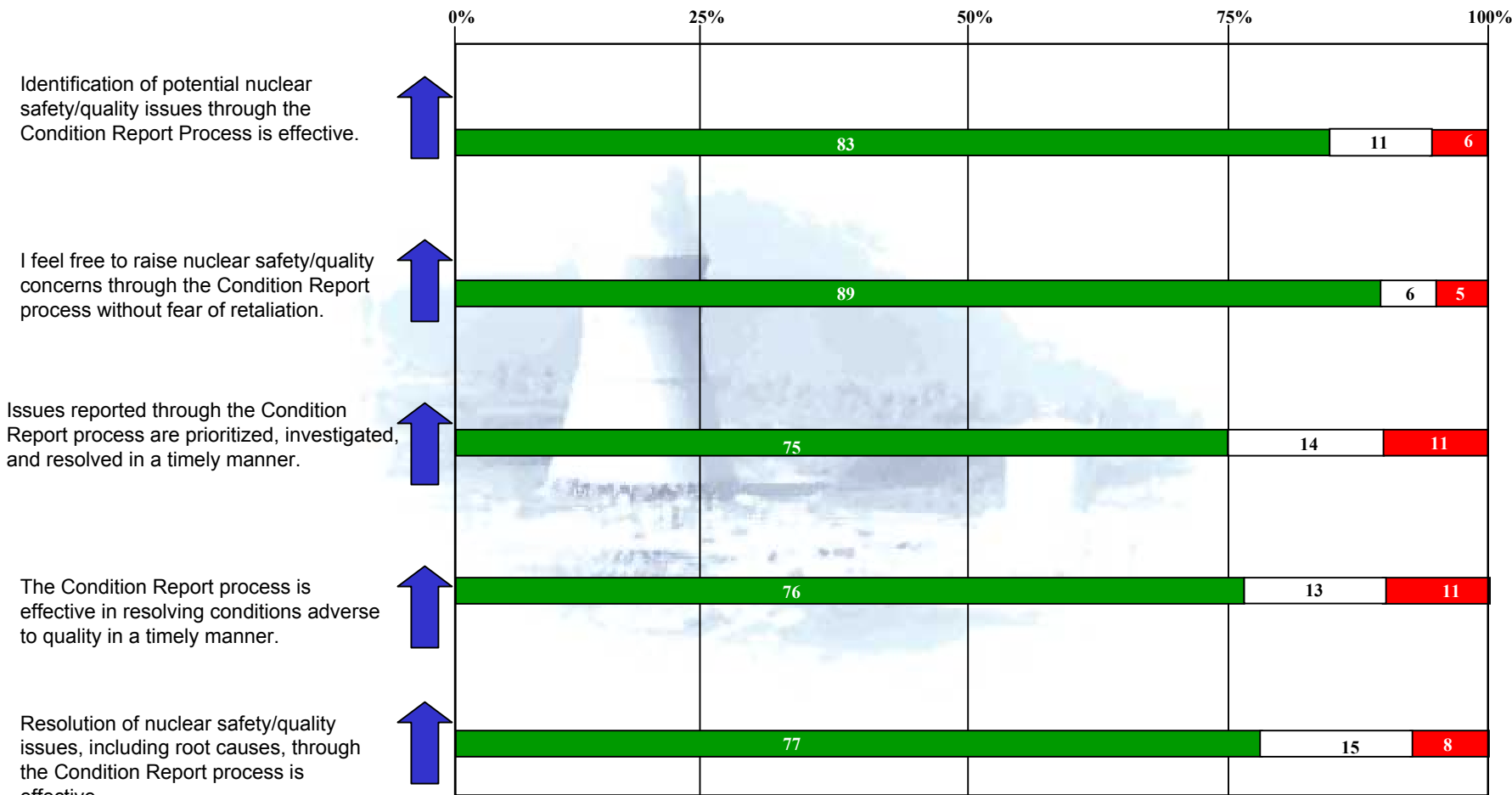
FirstEnergy® Pillar I -- Willingness to Raise Concerns (Continued)



November 2003 SCWE Survey Results

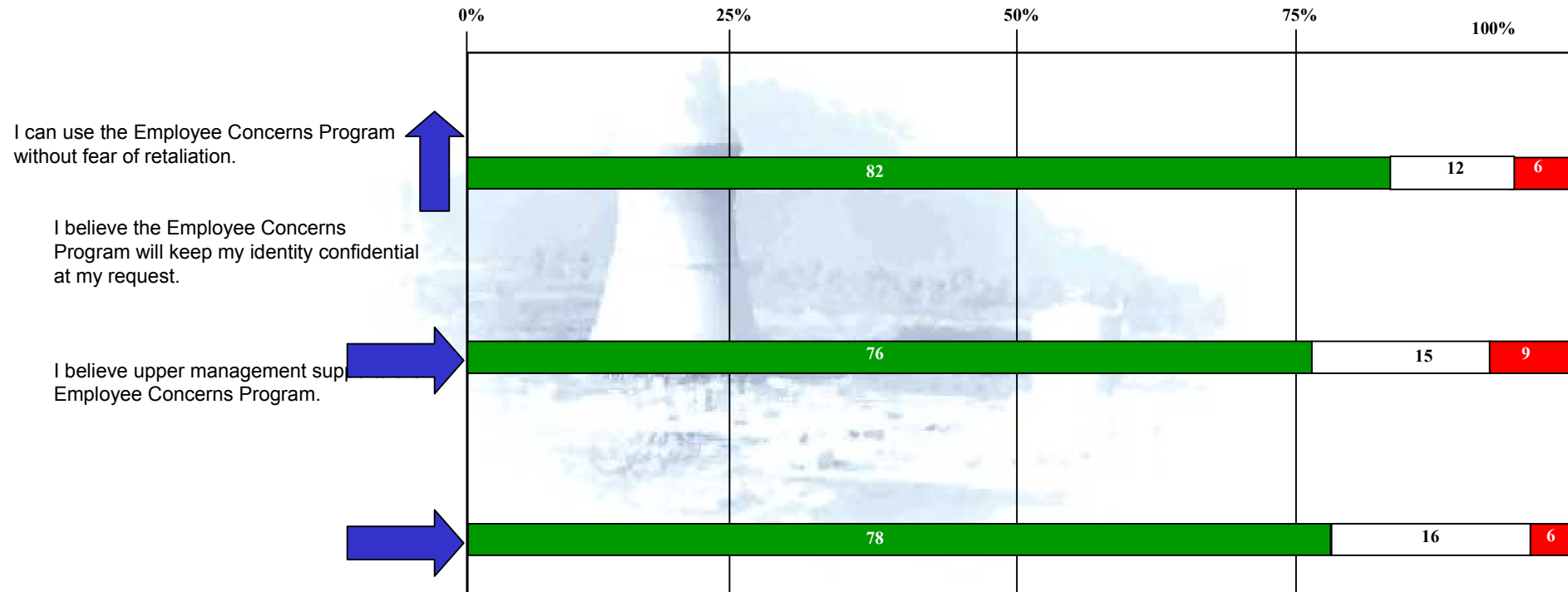
22

Pillar 2 -- Normal Problem Resolution Process

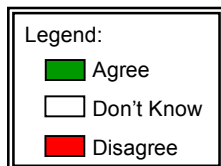


November 2003 SCWE Survey Results

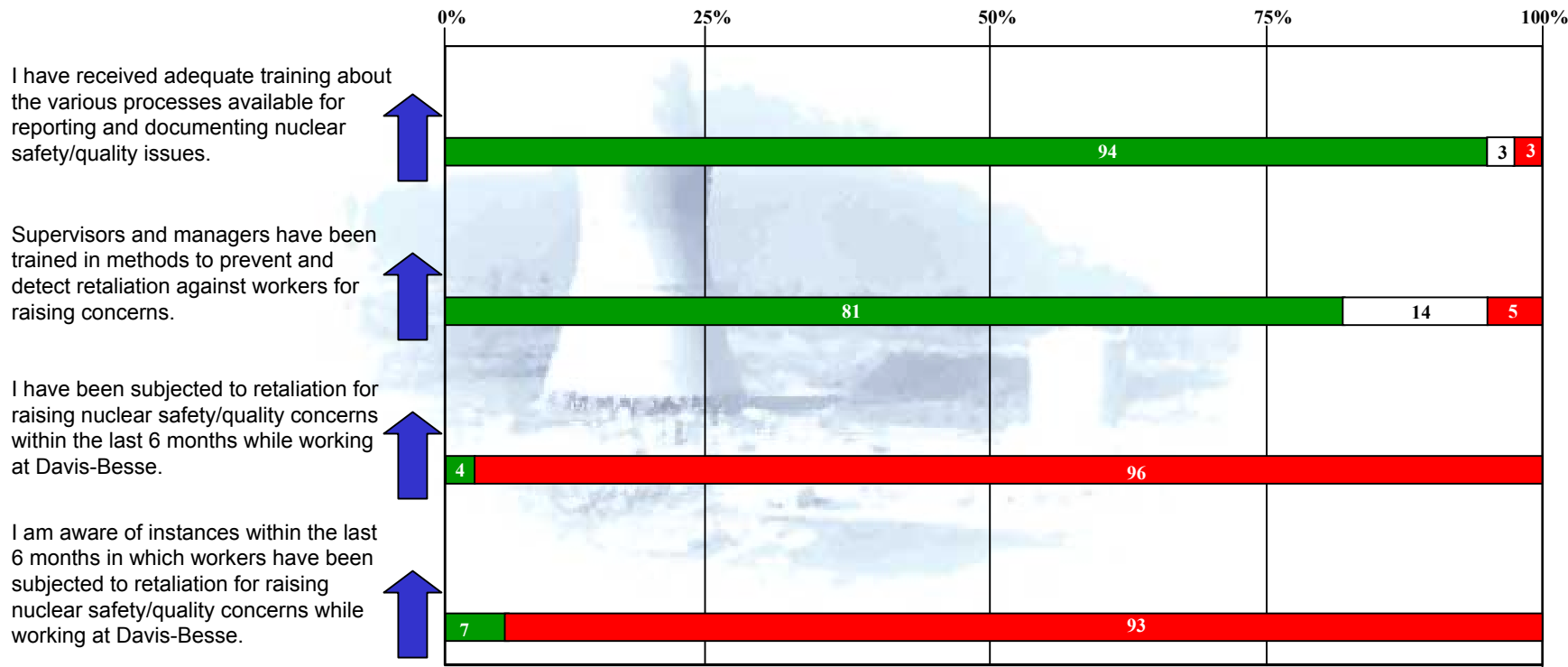
Pillar 3 -- Employee Concerns Program



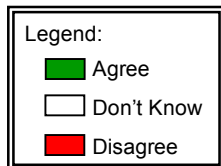
November 2003 SCWE Survey Results



Pillar 4 -- Preventing and Detecting Retaliation



November 2003 SCWE Survey Results



Conclusion

- Overall Conclusion
 - Substantial improvements since August
 - Continuous improvement over time

Nuclear Quality Assessment Safety Culture/SCWE Interviews November 2003 Results



Steve Loehlein
Manager – Nuclear Quality Assessment

Nuclear Quality Assessment Safety Culture/SCWE Interviews November 2003 Results

- Methodology and Approach
 - Approximately 10% of staff (86 personnel)
 - Face-to-face interviews of Supervisors and line staff
 - Questions focused on SCWE, safety culture and organizational effectiveness

Nuclear Quality Assessment Safety Culture/SCWE Interviews November 2003 Results

Do you believe management wants employees to report problems and adverse conditions?

- Response:
 - 93 % yes

Nuclear Quality Assessment Safety Culture/SCWE Interviews November 2003 Results

Have you raised any issues since February 2003 via the corrective action program, and were they adequately addressed?

- Response:
 - 78% identified an issue
 - 82% agreed concern was adequately addressed

Nuclear Quality Assessment Safety Culture/SCWE Interviews November 2003 Results

Are you aware of instances since February 2003 in which another individual raised an issue and considered the response incomplete or unacceptable, or was retaliated against for raising the issue?

- Response:
 - 23% considered responses to be incomplete or unacceptable
 - 9% knew of or had heard of an instance of retaliation

Nuclear Quality Assessment Safety Culture/SCWE Interviews November 2003 Results

Are you aware of any specific events since February 2003 which would discourage employees from raising concerns?

- Response:
 - 14% yes

Nuclear Quality Assessment Safety Culture/SCWE Interviews November 2003 Results

Do you believe you can raise any nuclear safety or quality concern without fear of retaliation?

- Response:
 - Over 95% said yes

Nuclear Quality Assessment Safety Culture/SCWE Interviews November 2003 Results

Do we apply the right level of effort for timely and effective corrective actions according to the level of significance of the issue?

- Response:

- 74% yes, or most of the time
- 13% no
- 13% did not know or had no comment

Nuclear Quality Assessment Safety Culture/SCWE Interviews November 2003 Results

Looking at the FENOC Davis-Besse safety culture model, do you believe:

•Response

- Individuals are ready for restart? 93% yes; 2% no; 5% neither yes nor no
- Plant management is ready for restart? 91% yes; 7% no; 2% no response
- Policy/corporate level commitments support restart? 87% yes; 8% no; 5% no response

Nuclear Quality Assessment Safety Culture/SCWE Interviews November 2003 Results

- Summary conclusions
 - Worker willingness and responsibility to raise issues is very strong
 - Large majority believe safety culture is ready for safe restart

Cycle 14 - Operational Improvement Plan



Mark Bezilla
Vice President

Cycle 14 - Operational Improvement Plan

- Desired Outcome

- Introduce the Cycle 14 Operational Improvement Plan
- Communicate how it ensures continuous improvement beyond restart

Cycle 14 - Operational Improvement Plan

- Purpose

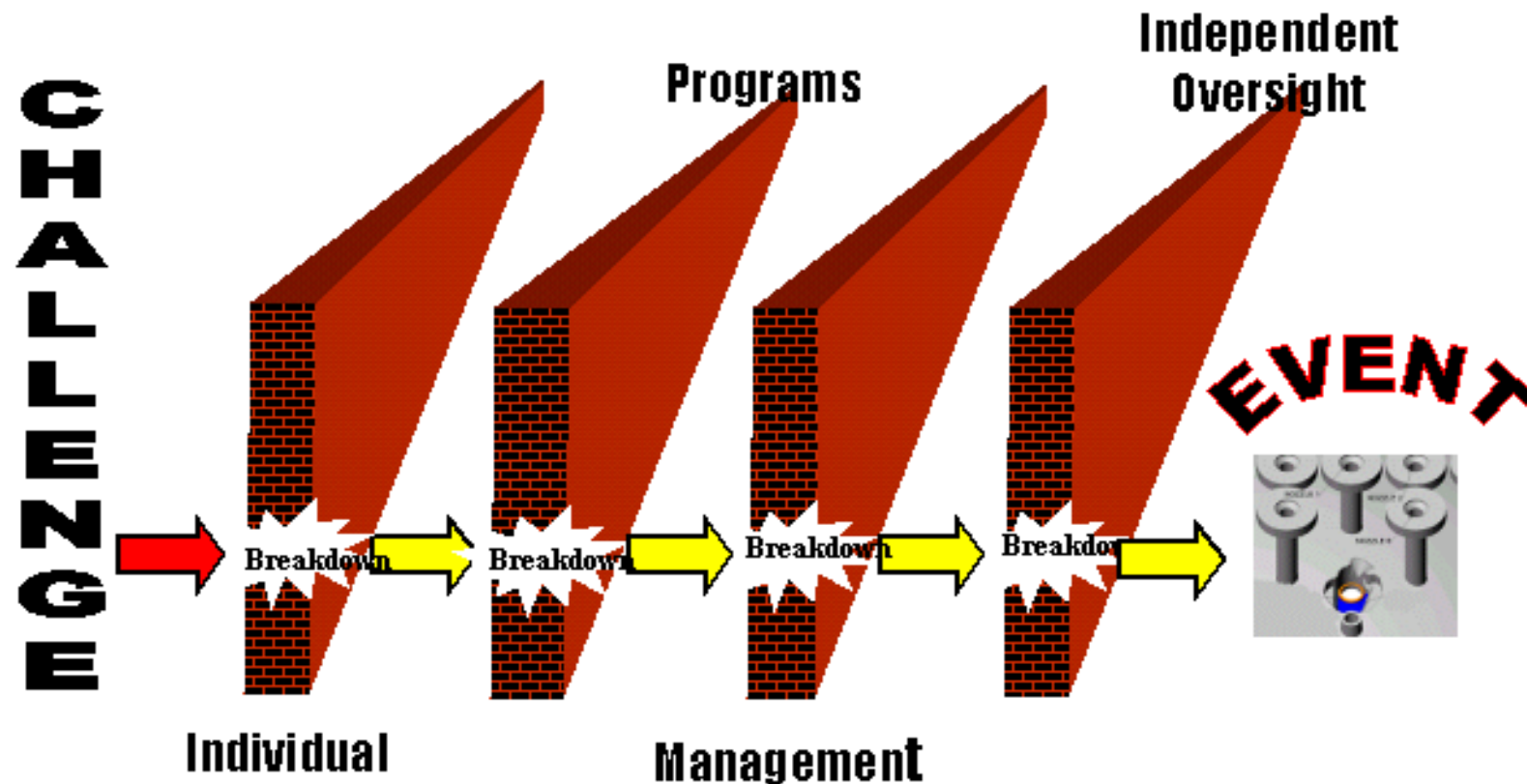
- Transition to Normal Plant Operations
- Sustained Performance in Nuclear Safety
- Continued Improvement

Cycle 14 - Operational Improvement Plan

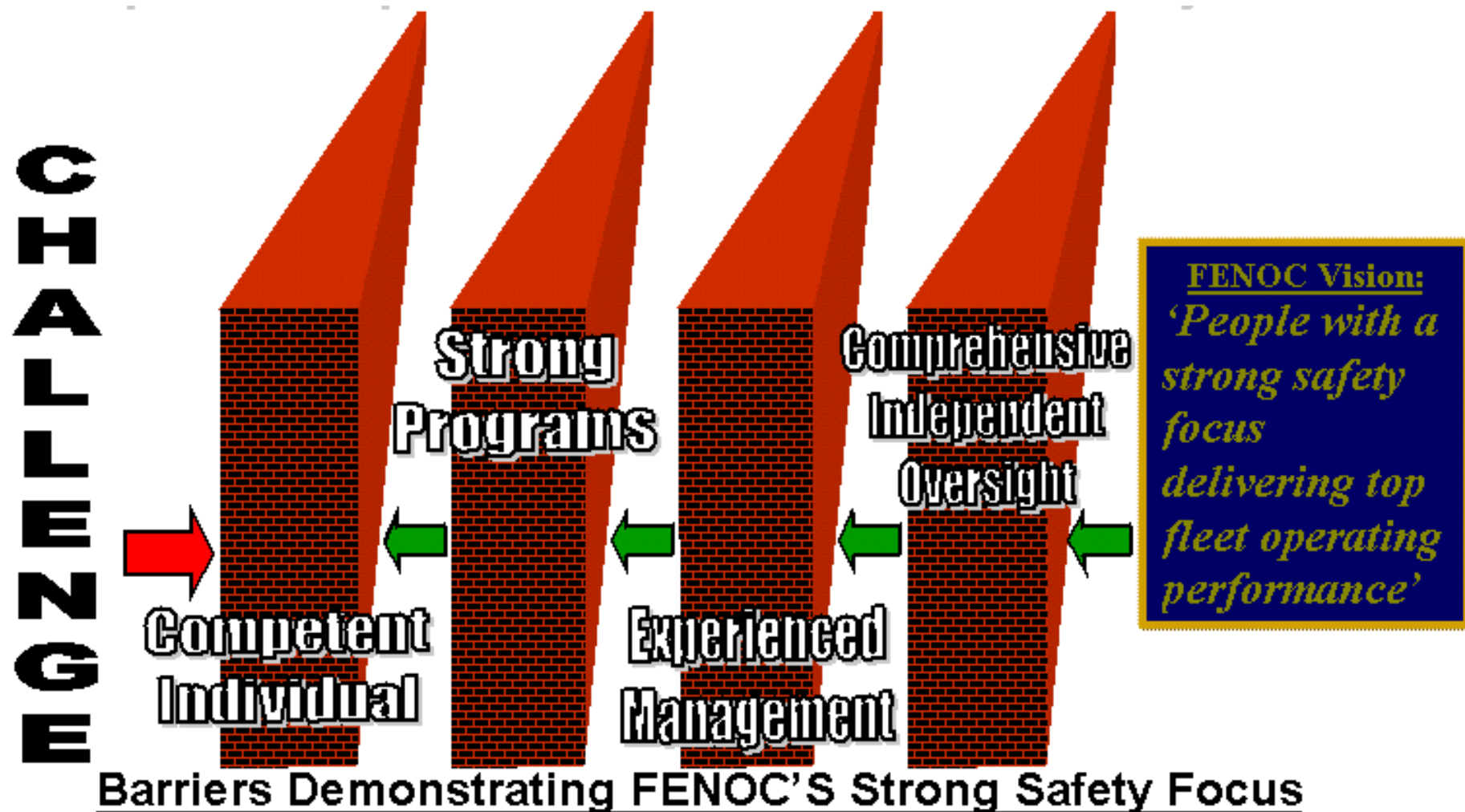
- 
- A faded, light blue background image of a nuclear power plant, showing a large containment dome and various industrial structures.
- Plan Focus on Four Primary Safety Barriers
 - Individual
 - Programs
 - Management
 - Oversight

Cycle 14 - Operational Improvement Plan

This illustration represents how the four safety barriers failed, allowing the degradation of the RPV Head to go undetected for several years and serves to anchor the lessons learned and corrective actions taken to prevent recurrence.



Cycle 14 - Operational Improvement Plan



Cycle 14 - Operational Improvement Plan

Plan Initiatives		Barriers Enhanced			
		Individual	Programs	Management	Oversight
Sponsor					
M. Bezilla	1. Organizational Effectiveness Improvement		X	X	
B. Allen	2. Operations Improvement	X	X	X	
B. Allen	3. Maintenance Improvement	X	X	X	
B. Allen	4. Training Program Improvement	X	X	X	
B. Allen	5. Work Management Improvement	X	X	X	
J. Powers	6. Engineering Improvement	X	X		
M. Bezilla	7. Continuous Safety Culture Improvement	X		X	X
R. Schrauder	8. Procedure Improvement	X	X		
R. Schrauder	9. Corrective Action Program Improvement	X	X	X	X
L. Myers	10. Oversight Improvement			X	X

Cycle 14 - Operational Improvement Plan

- Principal Actions

- Organizational Effectiveness Improvement
 - Self-Assessments
 - Leadership Academy for management skills
 - Management Observation training
- Operations Improvement
 - Operations Excellence Plan
 - Improve Operator knowledge and skills
- Maintenance Improvement
 - Improve Maintenance training
 - Improve Maintenance effectiveness
 - Improve Maintenance supervision and staff
 - Improve ownership of plant equipment

Cycle 14 - Operational Improvement Plan

- Principal Actions

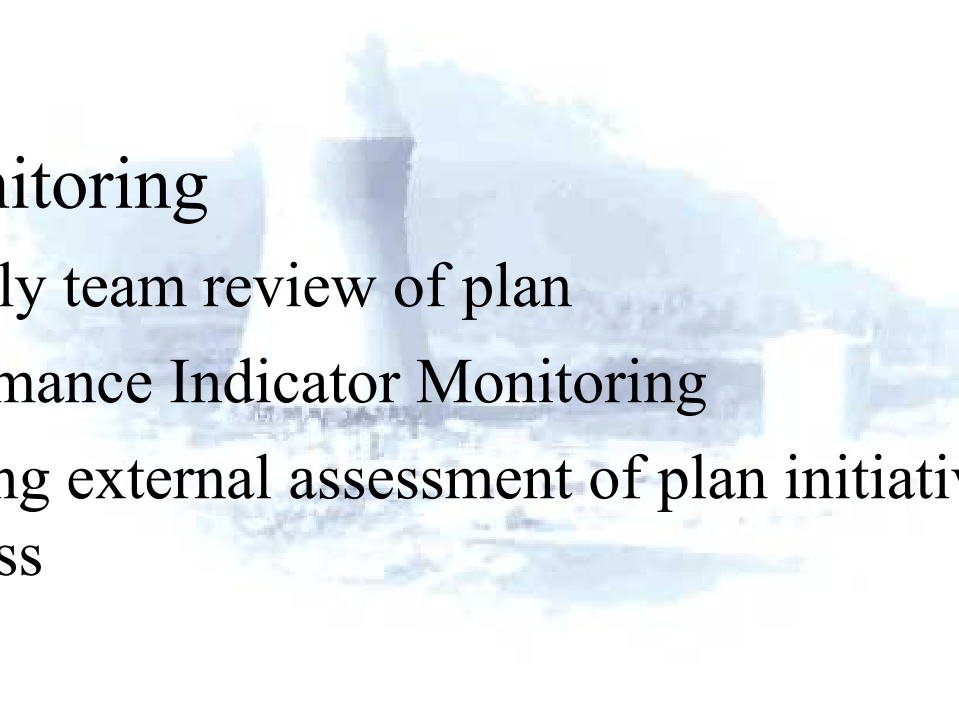
- Training Program Improvement
 - Training on design and configuration control
 - Qualification training for engineers
- Work Management Improvement
 - Common processes
 - Backlog reduction
- Engineering Improvement
 - Improve safety margins
 - Latent Issues Reviews and Program Reviews
 - Design Calculation Improvement & ATLAS

Cycle 14 - Operational Improvement Plan

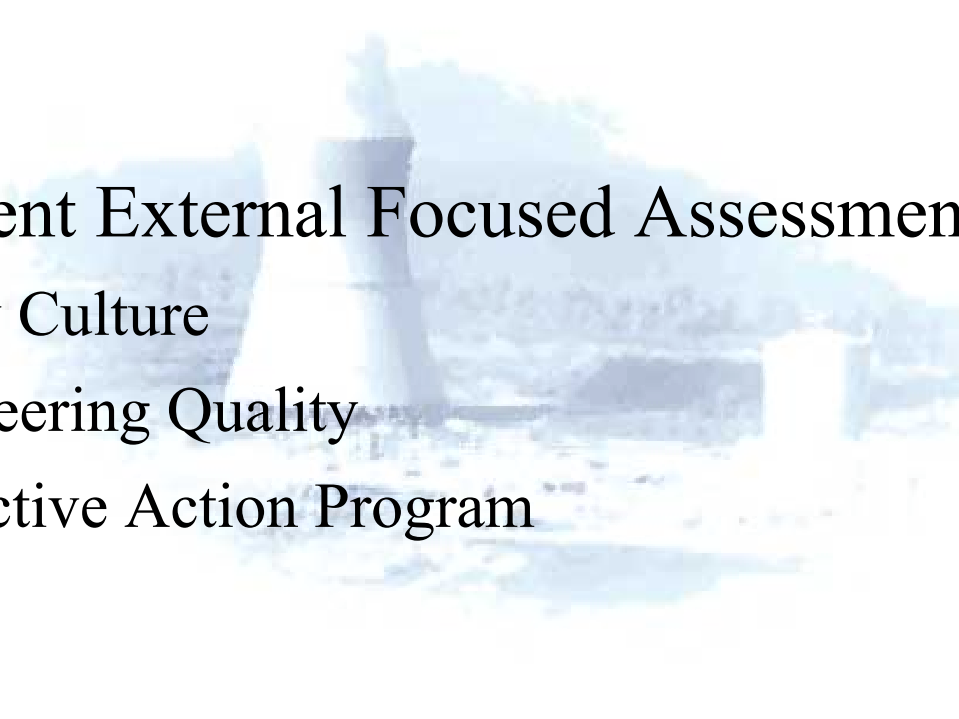
- Principal Actions

- Continuous Safety Culture Improvement
 - Safety Culture Assessments and Surveys
 - SCWE Training
- Procedure Improvement
 - Training on Procedure Adherence
 - Self-Assessment on Procedure Adherence
- Corrective Action Program Improvement
 - Apparent Cause Improvement Plan
 - Reduce Condition Report backlogs
- Oversight Improvement
 - Supplement QA with off-site assistance
 - QA oversight of cross-functional activities
 - External assessment of self-assessment

Cycle 14 - Operational Improvement Plan

- 
- A faded, light blue background image of a nuclear power plant, showing the containment domes and surrounding structures.
- Plan Monitoring
 - Monthly team review of plan
 - Performance Indicator Monitoring
 - Ongoing external assessment of plan initiatives and progress

Cycle 14 - Operational Improvement Plan

- 
- A faded, blue-tinted image of a nuclear power plant with two large cooling towers and several buildings, serving as a background for the list.
- Independent External Focused Assessments
 - Safety Culture
 - Engineering Quality
 - Corrective Action Program

Cycle 14 - Operational Improvement Plan

A faded, light blue background image of a nuclear power plant, showing a large containment dome and surrounding structures.

•Conclusion

- Plan will anchor the changes made and will cause continued improvement in our plant, people, and processes through Cycle 14
- Monitoring and external assessment is in place to monitor and provide feedback

Work Scope Plans for the Mid-Cycle Outage(Cycle 14)



Mark Bezilla
Vice President

Work Scope Plans for the Mid-Cycle Outage(Cycle 14)

- Current Start Date
 - 1st Quarter of 2004 Contingent
 - 1st Quarter of 2005 if License Amendment to extend the OTSG surveillance requirements is approved
- Scheduled Duration ~ 21 days

Work Scope Plans for the Mid-Cycle Outage(Cycle 14)

- Scheduled activities include
 - Steam Generator Eddy Current Testing
 - Incore Nozzle Inspection
 - Control Rod Drive Nozzle Inspection
 - Reactor Vessel Bare Head Inspection
 - Boric Acid corrosion inspection of Reactor Coolant System
 - Surveillance Testing needed to support operation until Spring 2006
 - Contingency Plan
 - Loop 2 Reactor Coolant Pump Gasket Replacement
 - Pending results of inspection Contingency Plan

Schedule for Remaining Activities for Restart



Clark Price
Owner - Restart Action Plan

Schedule for Remaining Activities for Restart

Key Items completed since the November 10th Meeting

- Completed our Restart Readiness Safety Culture Assessment
- Submitted the Integrated Restart Report to Request Restart of the Plant
- Installed both of the newly modified HPI Pumps and have completed testing of Pump #1
- Completed the replacement of 24 Breakers with Fused Disconnect Switches to achieve Breaker Coordination

Schedule for Remaining Activities for Restart

Continuing Key Activities

- Completion of the Operations Improvement Action Plan
- Electrical System Analysis Issue Resolution
- Service Water Pump #2 Baseline Testing
- ECCS Room Cooler #4 & #5 Replacement
- Containment Air Cooler Pressure Transient Resolution
- Closure of the remaining Open NRC 0350 Panel Restart Checklist Items

Schedule for Remaining Activities for Restart

Key Milestones to Restart

- Dec 5 - Final Restart Overview Panel Meeting for Restart
- Dec 8 - Transition to On-Line Work Control Process
- Dec 8 - NRC Restart Readiness Inspection Team begins two week Operational inspection of Mode ascension performance
- Dec 9 - Restart Readiness Meeting for Modes 4 & 3
- Dec 11 - Enter Mode 4
- Dec 12 - Enter Mode 3
- Dec 13 - Achieve Full Reactor Coolant System Pressure & Temperature
- Dec 15 - Restart Readiness Meeting for Mode 2

Schedule for Remaining Activities for Restart

Key Milestones to Restart

- Public Meeting for Request for Restart
- Following NRC Approval Enter Mode 2 (Restart)
- Enter Mode 1
- Management Hold for Effectiveness & Readiness Assessment
- Sync to the Grid
- ~ 50% Power - Management Hold for Effectiveness & Readiness Assessment
- 100% Power Operation
- Post Restart Effectiveness Critique

Closing Comments



Lew Myers
Chief Operating Officer - FENOC